Supreme Court, U.S.
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No. 99-601

IN THE

Supreme Court of the United States

INTERACTIVE TECHNOLOGIES, INC.,

Petitioner,

v.

PITTWAY CORPORATION and
ADEMCO DISTRIBUTION, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

LAURENCE S. ROGERS
Counsel of Record
LARS I. KULLESEID
KELSEY I. NIX
AVINASH S. LELE
FISH & NEAVE
Attorneys for Respondents
1251 Avenue of the Americas
New York, New York 10020
(212) 596-9000

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155983

Counsel Press LLC
FORMERLY LUTZ APPELLATE SERVICES
(800) 274-3321 • (800) 359-6859

COUNTERSTATEMENT OF QUESTIONS PRESENTED

1. Whether this Court should grant a petition for certiorari to review a unanimous, non-precedential decision of the Federal Circuit which reversed a jury verdict of equivalents infringement because there was a lack of substantial evidence, which correctly followed the precepts of *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997), which does not conflict with any other circuit authority, and whose review is sought based on arguments not raised by Petitioner until after it lost on appeal?

2. Whether this Court should issue a GVR order in view of the Federal Circuit's intention to rehear *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 172 F.3d 1361 (Fed. Cir. 1997), *reh'g granted, vacated*, 187 F.3d 1381 (Fed. Cir. 1999), where the factual records are such that resolution of that case cannot affect this case, and where Petitioner's request for rehearing based on *Festo* was denied by the Federal Circuit?

STATEMENT PURSUANT TO RULE 29.6

Respondent Pittway Corporation has no parent corporation, and no publicly held company owns 10% or more of its stock. Respondent Ademco Distribution, Inc.'s parent corporation is Respondent Pittway Corporation, which owns 100% of the stock of Ademco Distribution, Inc.

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INTRODUCTION

Nothing in this case compels this Court's discretionary intervention. The decision below is not in conflict with *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997), or any other decision of this Court. It is not in conflict with any Federal Circuit decision. It presents no inter-circuit conflict. And, contrary to Petitioner's arguments, the decision below is not causing the doctrine of equivalents to be "narrowed out of existence" (Pet. 16). Petitioner ITI simply disagrees with the end result.

The Federal Circuit here reversed a jury verdict of patent infringement because it correctly found there was "no evidence" — let alone substantial evidence — that the accused devices equivalently met certain claim limitations. *Interactive Techs., Inc. v. Pittway Corp.*, No. 98-1464, 1999 WL 379139, at *4, *5 (Fed. Cir. June 1, 1999) (unpublished) (Pet. A-2). The Federal Circuit's unanimous, non-precedential decision is in full accord with this Court's admonitions in *Warner-Jenkinson* that (a) the doctrine of equivalents must be applied on an element-by-element basis, (b) "the role played by each element in the context of the specific patent claim" should be analyzed, and (c) a "special vigilance" should be maintained so that, even as to an individual claim element, the doctrine "is not allowed such broad play as to effectively eliminate that element in its entirety." *Warner-Jenkinson*, 520 U.S. at 28-29, 40.

This is just what the Federal Circuit did. First, it focused on the individual claim element which recites "writing the temporarily stored identity code into said code table, if not located." Then, it determined that the function and role of that limitation was to prevent duplication of *transmitter* identity codes — as opposed to *input* identity codes. The Federal Circuit based this determination, which was fully consistent with ITI's admissions below as to the element's role, on both the express claim language and the

district court's "unchallenged" *Markman* construction of that language. Finally, the Federal Circuit held that the claim limitation was "altogether missing" from the accused devices because it was "undisputed" that the accused devices did *duplicate* transmitter codes and the alleged substitute element — *input* identity codes — "actually performed a distinctly different function." The Federal Circuit concluded that, because "there was no evidence" that certain claim limitations were met, "there was not substantial evidence to support the [jury's] finding of equivalent infringement." Infringement thus was precluded "as a matter of law." *Interactive Techs.*, 1999 WL 379139, at *3-*5 (Pet. A-9, A-10).

It thus is not correct to assert, as ITI does as the primary basis for its petition, that the Federal Circuit ran afoul of *Warner-Jenkinson* (or *Graver Tank*) by engaging in a "circular" analysis that looked no further than the express language of the claim element to determine its function and role. Instead, it is ITI that tries to avoid the mandate of *Warner-Jenkinson*. Raising an argument it had never raised until it lost on appeal — and thus has waived — ITI proposes for the relevant claim limitation a *brand new* function and role. According to ITI, "the central function" of that limitation is "to store without duplication the *transmissions to which the system controller will respond*" (Pet. 16-17; emphasis added). Not only has ITI waived this newly-minted assertion; it is wrong. It is inconsistent with the express claim language and inconsistent with the *Markman* order, and thus violates *Warner-Jenkinson*'s prohibition against ignoring claim limitations. Moreover, it contradicts ITI's admissions below — and even in its certiorari petition — as to the true role of the claim element.

Petitioner further contends, in an attempt to create an intra-circuit conflict, that the equivalence analysis below is inconsistent with the Federal Circuit's decision in *Corning Glass Works v. Sumitomo Elec. U.S.A.*, 868 F.2d 1251

(Fed. Cir. 1989). There is no conflict. The facts in *Corning* were very different. It was undisputed in *Corning* that a substitute structure in the accused device performed the same function and achieved the same result as the claim element at issue. The All Elements rule thus did not apply. Here, however, the All Elements rule does apply to preclude equivalence because *nothing* in the accused systems performs the claim limitation's function.

The decision below does not conflict with *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 172 F.3d 1361 (Fed. Cir. 1997), *reh'g granted, vacated*, 187 F.3d 1381 (Fed. Cir. 1999), for similar reasons. Moreover, the *Festo* panel did precisely what ITI now complains was done wrong by the panel below. *Festo* identified the role of the relevant claim limitation by relying on "the function *stated in the claim*" — *i.e.*, by looking to the express claim language. *Id.* at 1371 (emphasis added). ITI's comparison of this case with *Festo*, which it embraces as "correctly decided," confirms that the equivalence analysis below likewise was correct.

Finally, there is no reason to issue a GVR order here in view of the Federal Circuit's intention to rehear *en banc* its decision in *Festo*. The two cases are factual opposites. The equivalence determination in *Festo* was based on the infringer's admission that the accused product performed the claimed function in the same way to achieve the same result. Here, however, nonequivalence was established based on the *undisputed* fact that *nothing* in the accused systems performs the conceded role and function of the claim limitation at issue. The Federal Circuit's denial of ITI's petition for rehearing, which relied heavily on *Festo*, underscores the void between the two cases. Two-thirds of the panel below also decided *Festo*. They could have granted ITI's petition, but did not — because the result below does not turn on *Festo*.

The petition for certiorari should be denied.

COUNTERSTATEMENT OF THE CASE

A. The '713 Patent

The Specification. The '713 patent covers a particular, narrowly claimed way for a CPU (called a "system controller") in a wireless security system to "learn" the identities of radio transmitters located throughout a home. The patent's sole embodiment describes transmitters having several inputs. Each input may be connected to a sensor that senses an intrusion, a fire, or other emergency condition. Despite having several inputs, each transmitter has only a single, factory-programmed, unique (one-in-a-million) *transmitter* identity code identifying the transmitter as a whole. [App. E2636-49 (Abstract, Fig. 2, c.5:17-23, 32-40, 6:37-67), E7696-97; A7085-86, 7114-16, 9331-35, 9377[1]]

To learn the transmitter code for a particular transmitter, the CPU is switched into "program" mode and a transmission is sent that includes the transmitter's unique identity code. Upon detecting in the transmission other information (what Petitioner ITI calls a "red rose condition") that is not relevant to ITI's petition, the CPU compares the incoming transmitter code to all others that previously have been stored in the CPU's "code table." The incoming transmitter code is written into the code table, and thus "learned," if and only if it is not already present in the table. [App. E12175, E2636-49 (Fig. 7, c.4:6-9 and 9:4-20), E1900; A5861-63, 9337-44, 7091-94, 7111-13, 7164-65]

The '713 specification explains why duplicate transmitter codes must not be learned. It twice points out that a million transmitter codes reduce to an "infinitely remote" possibility, the "happenstance situation of two sensor transmitters having the same identity code." But there is still

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1. "App. __" refers to cited portions of the parties' Joint Appendix submitted to the Federal Circuit. "Pet. __" refers to cited portions of ITI's Petition for a Writ of Certiorari.

"a remote likelihood of an installer encountering two transmitters having the same identity code." [App. E2646-49 (c.4:22-26, 8:67-9:3); A9341-43, 9362] The patent thus takes the extra step of rejecting the duplicate transmitter identity code to make it *absolutely impossible* to learn it. This rejection alerts the installer of the "happenstance situation," so that "on the offchance this should occur, the installer would switch out the duplicate transmitter." [App. E2648-49 (c.8:67-9:3)]

Why the patent strictly prohibits learning duplicate transmitter codes was made clear at trial. ITI's expert testified that learning duplicate transmitter codes can cause false alarms, which the patentee regarded as "the biggest nightmare you can get with a security alarm system." [App. A7783-84, 6992]

The Relevant Claim Limitations. Each independent claim has a pair of interlocking limitations that must be read consistently with one another. Together, they define a "belt and suspenders" approach to preventing the stated problem of encountering and learning duplicate transmitters. Claim 1, step (a) includes a first limitation (the "belt") requiring:

> (a) programming a unique identity code into each of said wireless transmitters which identity code is transmitted with each transmission. . . .

Requiring a "unique" transmitter code in each transmitter makes it highly improbable (one chance in a million) that an installer will encounter two transmitters with duplicate transmitter identity codes. [App. E2649 (c.9:57-59)]

But because improbable is not good enough, the claim in step (f) also includes a second limitation (the "suspenders"):

> (f) writing the temporarily stored identity code into said code table, if not located.

This limitation — the focus of the Federal Circuit's decision — makes it *absolutely impossible* to learn a duplicate transmitter code in the off-chance that one has been encountered. Claim 7, the only other independent claim, includes parallel limitations in elements (a) and (e).[2] [App. E2649 (c.10:5-6, 43-45, 52-57]

ITI's Admissions Of Role And Function. ITI admitted in the district court that solving the duplicate transmitter code problem stated in the patent is the role of the "no duplicates" limitation:

> Those claim limitations [1(f) and 7(e)], as interpreted by the Court, require that the security system CPU contain a code table and that, while in the "learn mode," the CPU *only write the transmitter identity code* into the code table *one time*. [App. A4683; emphasis added]

Similarly, the patentee admitted that his patent:

> describes the situation . . . where the installer can pick up two transmitters which, remote as it may be, might have the same transmitter identity number and you [*sic.*, he] will install only one of them *because of the no duplicates aspect of [the] claimed invention*. [App. A7273; emphasis added]

ITI conceded the same role for the "no duplicates" claim limitation in its appeal brief before the Federal Circuit:

> Step "(f)" avoids accidentally programming the same transmitter ID into the CPU a second time, [*sic.*, as] well as the unusual situation (given the

2. For convenience, claim step 1(f) and element 7(e) will be referred to as the "no duplicates" limitation of the claims.

> "unique" nature of the ID) in which, in spite of the best efforts of the manufacturer, *two transmitters with the same ID* end up in the same house. [Appeal Br. 6; emphasis added]

And even now, in its petition for certiorari, ITI makes the exact same admission (Pet. 6-7).

ITI's patent and claims thus are narrowly directed to solving a problem of preventing the learning of *duplicate transmitter* identity codes. It is not a "pioneering" patent, as Petitioner contends (Pet. 3). The jury made no such finding. [App. A54-57] Petitioner likewise misstates that it "created 'learn mode' " (Pet. 3). Learn mode was created by others years earlier. [*e.g.*, App. A7173-74; E4096, 4100; A9293-94, 9510-11; E12335-37; A8709, 8723-26, 9466-68; E3593-99 (Fig. 3, c.3:31-37, 4:27-57)]

B. The Accused Systems

The accused security systems were developed independently and without knowledge of the '713 patent. Thus, it is not surprising that those systems use a very different approach compared to that of the '713 patent. [App. A8898, 8732-37, 9387] Respondents Pittway's and Ademco's systems learn a *different* type of code, called an "input identity code," having an entirely different function.[3] In doing so, they learn duplicate *transmitter* codes and so do not solve the problem that the patent describes and the "no duplicates" claim limitation solves. [App. A9412-13]

Ademco's Different Input Identity Codes. Contrary to the patent, an Ademco transmitter has up to four *input* identity codes each identifying a different input of the transmitter. An input code has two parts — a transmitter code portion identifying the transmitter as a whole, and an input

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3. Respondents Pittway and Ademco hereafter are jointly referred to as "Ademco."

number portion ranging from 1 to 4 to specify the input. [App. A8833, 7636, 9280] Using input codes allows each input of a single transmitter to be separately and individually learned into the CPU, which can then respond differently to each. For example, input 1 can be connected to a fire detector, in which case the CPU would call the fire department when a fire occurred. Input 2 of that transmitter can be connected to a different type of sensor (*e.g.*, a door sensor), and the CPU would call the police when a burglar broke in. [App. A8730-31, 8827-28, 8853-54]

Ademco's Transmitter Code Duplication. An Ademco input code is learned by being stored in an *input* identity code table if it is not already present.[4] Because up to four inputs per transmitter may be learned, the *transmitter code* portion of the input code *can be duplicated* in the table (up to four times). [App. A8851, 9386; *cf.*, E12180-81 and A9423-25]

This makes Ademco's systems susceptible to learning duplicate transmitter codes from two different transmitters having the same transmitter identity code — *precisely* what the '713 patent twice warns about, and *precisely contrary* to what the "no duplicates" claim limitation of the '713 patent prevents. [App. E12186; A9412-13, 8856, 9403] Ademco "chose to make the system accept duplicate transmitter numbers" to obtain the important advantages of input codes. As the designer of the accused systems testified, "We felt

4. Ademco's input identity codes are learned upon being detected multiple times in a row in successive transmissions. They are not learned upon detecting a "red rose" or any other kind of condition, as required by other '713 claim limitations that are not the subject of ITI's petition. [App. A9387, 9389-90, 9431-32, 9435] This is a separate and independent basis why Ademco's systems cannot infringe by equivalents. Because the lack of the "no duplicates" limitation in the accused devices disposes of all claims in this case, the Federal Circuit did not need to, and so did not, reach this separate ground of non-infringement.

this [using input codes] was an advantage against the relatively slim chance of one installer getting two transmitters with the same number in it." [App. A8856; *cf.*, A8928-29]

The Substantial Benefits Of Input Codes. There are, in fact, *three* advantages that Ademco's input code systems enjoy over a transmitter code system like the patented one. [App. A8730-31] First, unlike the system of the '713 patent, different kinds of sensors can be connected to the inputs of a single Ademco transmitter without causing false alarms. [App. E12187; A7331-32, 8827-28, 9279, 9334-35, 9414-15; E2537 (c.5:35-40)] Second, unlike the '713 system, Ademco's input codes identify the precise location of a break-in (*e.g.*, which window or door) so the police know exactly where to go. [App. A8805, 9274-77, 7332-33] Third, and again unlike the '713, Ademco's input codes prevent a homeowner from arming the system and leaving home with a window inadvertently left open. [App. E12188; A7322-29, 9415-18; E4649-50]

These advantages combine in Ademco's systems to achieve higher security, at decreased cost. [App. A8731, 8826, 9855-56] They underscore that Ademco's input code systems, which operate by *duplicating* transmitter codes, are substantially different in function, way and result from the "no duplicates" transmitter code system disclosed and claimed by the '713 patent. [App. A9411-18, 9422-24; E12186-88]

C. The Proceedings In The District Court

Markman. In accordance with this Court's ruling in *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996), the district court held a four-day hearing and entered two *Markman* orders construing the claim language as a matter of law in light of the patent's text, figures and express claim language [App. A1-25, 40-48]. Those orders explain that the *role* of the "no duplicates" limitation of claim step 1(f) is to

prevent the duplication of *transmitter* codes – *not* input codes — in the code table. Step 1(f) was construed to mean:

> writing the temporarily stored identity code (referring *solely to the transmitter* and *not* the individual loops or inputs) into said code table, only when no preexisting matching transmitter identity code exists in the code table, *without possibility of duplication*. (Emphasis added.)

[App. A45; *see also* App. A19-21.] As the Federal Circuit noted, ITI did not challenge this aspect of the *Markman* construction. *Interactive Techs., Inc. v. Pittway Corp.*, No. 98-1464, 1999 WL 379139, at *4 (Fed. Cir. June 1, 1999) (unpublished) (Pet. A-9).[5]

Summary Judgment and Trial. Based on the *Markman* construction of the claims, the district court granted summary judgment of no literal infringement, holding as a matter of law that the "no duplicates" and other claim limitations were not included literally in Ademco's systems. But the court declined to grant summary judgment of nonequivalence, erroneously comparing the entire patent claim as a whole — not element by element — to the accused device and then finding that there were issues of material fact in dispute. [App. A38]

Trial. Trial thus proceeded solely on the issue of equivalence. The trial evidence demonstrated that Ademco's

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5. Now, however, ITI does blame the district court for a "narrow[ ]" *Markman* construction that excludes "sensor" from the interpretation of "transmitter." (Pet. 8.) ITI cannot complain, because it was ITI itself that urged that aspect of the *Markman* construction. [App. A6290, A10-11] Furthermore, ITI misquotes the district court, asserting that the court "recognized that the '713 patent used the terms [sensor and transmitter] interchangeably." (Pet. 8.) That is not what the district court said. The court pointed to two *errors* in the specification, where "Plaintiff *interchanged* the words 'transmitter' and 'sensor'." [App. A10, emphasis added]

systems did not include an equivalent of at least two limitations of each asserted claim, because Ademco's systems were substantially different from the claim limitations in function, way and result. [App. A9410-26, 9430-43, E12183, 12185-88] An in-court demonstration of the accused systems proved that one of those limitations — the "no duplicates" limitation — was entirely missing from those systems.

In that trial demonstration, an Ademco CPU learned an input of a window transmitter and an input of a smoke detector transmitter. The two transmitters, as manufactured, happened to have the same transmitter identity code. When the window was opened, a false smoke alarm sounded. This happened because two input codes (one from each transmitter), having duplicate transmitter code portions, had been stored in the input code table. [App. E12186, A9412-13, 8859-63, 8944-52, 10714; E7481, 12704]

ITI's expert admitted that a system that can store duplicate transmitter codes and create false alarms, as Ademco's can, is "outside of the limitation of the claim." [App. A7798-99] Nevertheless, ignoring the "no duplicates" and other claim limitations, the jury returned a verdict of equivalents infringement. The district court denied Ademco's renewed motion for JMOL and motion for new trial. [App. A60]

D. The Federal Circuit Decision

The unanimous, non-precedential decision below by Judges Rich, Michel and Lourie followed the analysis required by *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997). The Federal Circuit correctly analyzed equivalence on an element-by-element basis, and identified the "function[ ]" of step 1(f)/element 7(e) as being "to ensure that all stored *transmitter* identification codes are different." *Interactive Techs.*, 1999 WL 379139, at *4 (Pet. A-11) (emphasis added). The court determined this function by

relying not only on the express claim language, but also on "the district court's express [*Markman*] ruling that the 'unique identity code' refers to the *transmitter's* identification code, and *not* to the codes of the individual sensors or loops." *Id.* at *4 (Pet. A-9) (emphasis added).

The Federal Circuit then correctly compared the function of the claim element to how Ademco's systems stored transmitter identity codes (*not* input identity codes) and correctly concluded that the claimed function was "altogether missing" in the accused devices. *Id.* The Federal Circuit further explained, in view of the undisputed factual record developed at trial by Respondents (*supra* § B), that the input identity code was not functionally equivalent in any event:

> We agree with the Pittway parties that . . . their [the accused devices'] substitute elements, alleged to be equivalent, *actually performed a distinctly different function.*
>
> . . . [T]he "unique identity code" in the context of the 5800 system must apply to the twenty-digit transmitter identification code, and not the two-digit sensor identification code or the twenty-two digit loop identification code. . . .
>
> While the 5800 does not permit the storage of duplicate loop identification codes, this feature does not "function" to ensure that duplicate transmitter identification codes are not stored. Rather, the *function* of not storing duplicate transmitter identification codes is *altogether missing* from the 5800. As with *Unidynamics*, while the feature of not storing duplicate loop identification codes might be interchangeable with not storing duplicate transmitter identification codes, it is *functionally distinct* and thus not equivalent as a matter of law.

Id. at *4, *5 (Pet. A-9, A-11) (emphasis added). On this basis, the Federal Circuit concluded that there could be no equivalence as a matter of law:

> Because we conclude that there was *no evidence* presented at trial that certain limitations of the claims of the '713 patent were met by the accused devices, we must overturn the liability judgment. . . .
>
> We hold . . . that equivalent infringement cannot be found here *as a matter of law* because the function of step (f), that is, writing a *transmitter* identification code into a code table "if not located" as already in the code table, is not found in the accused devices due to the *undisputed* fact that the accused devices can store transmitter identification codes in duplicate.

Id. at *1, *5 (Pet. A-2, A-10) (emphasis added). The Federal Circuit thus did not need to reach Ademco's additional reasons for non-equivalence.[6]

E. ITI's Petition For Rehearing *En Banc*

After the appellate decision, ITI filed a petition with the Federal Circuit for panel reconsideration and rehearing

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6. ITI's equivalence assertions require ignoring at least two claim limitations in addition to the "no duplicates" requirement. First, the claims require not only in their last element that each transmitter code be stored only once, but also in their first element that the code which is not duplicated must be sent "with each transmission." Ademco's input codes, however, are *not* sent "with each transmission." Thus, any attempt to read the last element's "no duplication" limitation on an input code would require ignoring the first element's "with each transmission" limitation — again violating the All Elements rule. (*Supra*, § A; Respondents' Opening Appeal Br. 24-27.) Second, Ademco's systems do not include an equivalent of a "red rose condition" for learning, which all claims require (Respondents' Opening Appeal Br. 30-38.)

en banc. ITI urged — *for the first time* in this litigation — that "[t]he function of the non-duplication element, seen in context, is to store without duplication the *transmissions to which the system controller is to respond*" (Rehearing Pet. 9; emphasis added). Based on this newly-minted function for the "no duplicates" claim limitation, ITI asserted that the panel's decision was somehow inconsistent with the Federal Circuit's earlier decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 172 F.3d 1361 (Fed. Cir. 1997), *reh'g granted, vacated*, 187 F.3d 1381 (Fed. Cir. 1999). ITI's petition for reconsideration and rehearing was denied.

REASONS FOR DENYING THE PETITION

I.

NONE OF THE TRADITIONAL BASES FOR GRANTING CERTIORARI IS PRESENT IN THIS CASE

None of the factors which have caused this Court to exercise its jurisdiction is present here. First, as explained in § II, *infra*, the Federal Circuit's decision does not conflict with any Supreme Court precedent, including *Warner-Jenkinson*. To the contrary, the Federal Circuit followed the mandate of that case:

> Where the evidence is such that no reasonable jury could determine two elements to be equivalent, district courts are obliged to grant partial or complete summary judgment. If there has been a reluctance to do so by some courts due to unfamiliarity with the subject matter, *we are confident that the Federal Circuit can remedy the problem.*

520 U.S. at 39 n.8 (emphasis added; citations omitted). That is exactly what happened here. The Federal Circuit reversed

an equivalence case that should have been ended on summary judgment, and that should never have gone to a jury.

Second, this being a patent case, there is no circuit conflict. As this Court has noted:

> It was just for the sake of such desirable uniformity that Congress created the Court of Appeals for the Federal Circuit as an exclusive appellate court for patent cases. . . .

Markman, 517 U.S. at 390.

Finally, the decision below does not conflict with *Corning Glass Works v. Sumitomo Elec. U.S.A.*, 868 F.2d 1251 (Fed. Cir. 1989), *Festo*, 172 F.3d 1361 or any other Federal Circuit case. As discussed in § III, *infra*, the intra-circuit conflict which Petitioner attempts to create by invoking these cases is non-existent. The difference between this case, and *Corning* and *Festo*, is not the analysis, but the facts — which in this case ineluctably lead to a conclusion of non-equivalence as a matter of law.

II.

THIS CASE WAS CORRECTLY DECIDED IN ACCORDANCE WITH CONTROLLING SUPREME COURT AUTHORITY

Warner-Jenkinson. Petitioner essentially asks this Court to revisit its decision in *Warner-Jenkinson*, 520 U.S. 17, less than three years after it was decided. There is no reason to do so.

In *Warner-Jenkinson*, this Court expressed its concern that "the doctrine of equivalents, as it has come to be applied since *Graver Tank*, has taken on a life of its own, unbounded by the patent claims." Accordingly, this Court made clear that:

> [T]he doctrine of equivalents *must be applied to individual elements* of the claim, not to the invention as a whole. It is important to ensure that the application of the doctrine, even as to an individual element, is *not allowed such broad play as to effectively eliminate that element* in its entirety.

Id. at 29 (emphasis added). Directing the lower courts to "focus on individual elements" and to exercise a "special vigilance" against allowing equivalence to eliminate a claim element, this Court outlined the analysis that should be performed:

> An *analysis of the role played by each element* in the context of the specific patent claim will thus inform the inquiry as to whether a substitute element matches the function, way, *and* result of the claimed element, or whether the substitute element plays a role substantially different from the claimed element.

Id. at 40 (emphasis added).

That is precisely what the Federal Circuit did here. As described above, its determination of the function and role of the "no duplicates" limitation was based not only on the express language of that limitation, but also on the *Markman* interpretation that specifically identifies *transmitter* codes — and specifically *excludes* input codes — as the codes that may not be duplicated. The Federal Circuit correctly concluded, based on the factual record, that the claim limitation was "altogether missing" in the accused devices because it was "undisputed" that the accused systems do store duplicate transmitter codes. *Interactive Techs.*, 1999 WL 379139, at *4 (Pet. A-9). Because the input codes of the accused systems performed a "distinctly different function," the Federal Circuit concluded they cannot be equivalent as a matter of law. *Id.*

That conclusion correctly ended the equivalence inquiry — as substantially the same function, way, *and* result must be found for equivalence. *Comark Communications Inc. v. Harris Corp.*, 156 F.3d 1182, 1188 (Fed. Cir. 1998) (" 'a patentee must prove substantial identity as to each of the function, way and result prongs of the doctrine of equivalents.' ") (quoting *Malta v. Schulmerich Carillons, Inc.*, 952 F.2d 1320, 1327 (Fed. Cir. 1991)).

ITI is not in a position to object now to the function and role of the "no duplicates" claim limitation as determined by the Federal Circuit. That determination is fully consistent with the *Markman* interpretation to which ITI does not object. *Interactive Techs.*, 1999 WL 379139, at *4 (Pet. A-9). It also is fully consistent with ITI's admissions below and reiterated in ITI's certiorari petition, that the role of the "no duplicates" limitation is to prevent the duplication of *transmitter identity codes* in the code table (*supra*, § A).

Nor is ITI correct in asserting that the Federal Circuit's analysis was "circular." The court's analysis did not "begin[ ] and end[ ] with the claim language." (Pet. 15) It went beyond the express claim language and relied on the *Markman* interpretation to determine the function and role of the "no duplicate transmitter codes" limitation. As Respondents explained to the Federal Circuit, any attempt to apply the "no duplicates" claim limitation to Ademco's input codes requires ignoring that limitation — in violation of the All Elements rule (Respondents' Opening Appeal Br. 27-30).

Graver Tank. Similarly, the Federal Circuit's analysis does not conflict with *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950) (Pet. 18-20). There, the trial court determined that manganese silicate was "an effective substitute" and an "insubstantial" change from the claimed earth metal silicate, based on a metallurgist's testimony as to the function and role of the claimed silicate. *Id.* at 610-11. Here, however, (a) the statements in ITI's patent

that duplicate transmitters should be "switched out," (b) ITI's admissions here and below as to the role of the "no duplicates" limitation in solving that problem to prevent false alarms, and (c) the *Markman* order specifically holding that the limitation is directed to preventing duplication of transmitter (*not* input) codes, all *preclude* a finding of equivalence. Had similar statements and admissions been made to the Court in *Graver*, the result might well have been different — but due to different facts, not different analysis.

ITI likewise is wrong that "a jury should have been allowed to decide whether there was equivalency in fact" (Pet. 17). That would have violated this Court's directive in *Warner-Jenkinson* that a case may not reach a jury "[w]here the evidence is such that no reasonable jury could determine two elements to be equivalent." 520 U.S. at 39 n.8. The Federal Circuit was instructed to "remedy the problem" in cases where summary judgment should have been, but was not, granted. *Id.* The Federal Circuit followed that instruction here.

III.

THIS CASE DOES NOT VIOLATE ANY FEDERAL CIRCUIT PRECEDENT

Without citing even a single case, Petitioner asserts that "[t]he Federal Circuit has elevated the all-elements rule of the doctrine [of equivalents] to a nearly insurmountable hurdle for patentees" and that "the Federal Circuit in its recent cases has endangered the viability of the doctrine" (Pet. 22-23). These assertions are without merit. ITI's own case authority (Pet. 22) establishes that, in analyzing equivalents infringement, the Federal Circuit applies the All Elements rule (also known as the All Limitations rule) in a manner tailored to the facts of each case.

In *Ethicon Endo-Surgery, Inc. v. United States Surgical Corp.*, 149 F.3d 1309, 1316 (Fed. Cir. 1998), the Federal Circuit noted that "infringement under the doctrine of equivalents remains a viable basis for a finding of infringement as long as a court properly applies . . . the so-called 'All Elements' rule" (citations omitted). On the undisputed facts before it, the Federal Circuit held that the All Elements rule as a matter of law precluded equivalence for one asserted patent claim, but not for another:

> Accordingly, we conclude that summary judgment of non-infringement of claim 6 by equivalents *was appropriate under the All Limitations rule*. . . .
>
> We agree with Ethicon that summary judgment of non-infringement by equivalents was improper with respect to claim 24. . . . Ethicon's assertion that the cam bar retainer and restraint act in combination *does not wholly vitiate the* "movable by" *limitation*.

Id. at 1319, 1320 (emphasis added). The doctrine of equivalence thus is alive and well. It is applied by the Federal Circuit "in the orderly course of case-by-case determinations," just as this Court directed in *Warner-Jenkinson*. 520 U.S. at 40.

Equally without merit is Petitioner's attempt to assert an intra-circuit conflict, based on the Federal Circuit's decision in *Corning*, 868 F.2d 1251, and its decision to rehear *en banc Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 187 F.3d 1381 (Fed. Cir. 1999). There is no conflict.

Corning Glass. Petitioner argues that *Corning* properly applied the doctrine of equivalents. According to Petitioner, had the *Corning* framework been applied here, the result would have been different. Not so.

The opposite result in *Corning* stemmed from different facts, not different analysis. In *Corning*, the claim required a waveguide core "to which a dopant material . . . has been added . . . so that the index of refraction thereof is of a value greater than the index of refraction of said cladding layer." *Corning*, 868 F.2d at 1256. There was "no dispute" that the accused waveguide's use of a negative dopant in the cladding (rather than the claimed positive dopant in the core) performed the "same overall function to achieve the same overall result" of creating the claimed greater index of refraction. *Id.* at 1256, 1258. Thus, an element of the claim was not entirely missing, and the All Elements rule did not apply, because there plainly was a substitute element in the accused device — dopant in the cladding — which admittedly performed the claimed function. *Id.* at 1259.

Here, however, Petitioner's patent claims function to *prevent* duplicate transmitter codes, but Ademco's systems *permit* duplicate transmitter codes. As a result, Ademco's systems do not solve the problem of the patent. Nor can Ademco's input code be a substitute element for the claimed transmitter code. The trial record indisputably established, and ITI never previously disagreed, that the input codes perform *an entirely different function*, and preventing their duplication does not solve the stated problem of the patent. Moreover, to assert that Ademco's input codes are a substitute for the claimed transmitter codes would contradict the district court's *Markman* construction that specifically excludes input codes (*supra*, § A).

Festo. The decision in this case does not conflict with *Festo*, either. Criticizing the panel below for engaging in a "circular analysis" by looking no further than the express language of the "no duplicates" limitation to identify its role and function, ITI embraces *Festo* as correctly following *Warner-Jenkinson*. ITI contends that the jury verdict of equivalence here would have been upheld had the panel below

analyzed equivalence the same way it was analyzed in *Festo* (Pet. 25-27). ITI is mistaken.

The panels below and in *Festo* analyzed equivalence the same way, but reached opposite results based on opposite undisputed factual records. In *Festo*, the issue was whether a *single*, two-way sealing ring could be equivalent to the claimed *pair* of sealing rings. The relevant claim limitation recited

> *a pair of resilient sealing rings* situated near opposite axial ends of the central mounting member and engaging the cylinder *to effect a fluid-tight seal* therewith.

172 F.3d at 1370 (emphasis added). To identify the role of that element, the *Festo* panel relied on the claim language itself:

> *Warner-Jenkinson* teaches that it is appropriate to inquire into the "role" of the pair of sealing rings, and to compare that role with the role of the substituted two-way sealing ring. Applying this principle, we observe that *the role* of the pair of sealing rings, *as stated in the claim*, is *to effect a fluid-tight seal* with the cylinder.

Id. at 1370-71 (emphasis added; citation omitted). The *Festo* panel thus did precisely what ITI now criticizes the panel for doing below: identify the role that a substitute element had to perform by looking to the claim language.

It was not a different equivalence analysis, but different undisputed facts, that led the *Festo* panel to reach a result different from that reached by the panel below. In *Festo*, the accused infringer admitted equivalency in fact:

> SMC did not dispute that its two-way sealing ring *performs the function* of providing a fluid-tight

> seal, *in the same way, with the same result*, as the pair of sealing rings. . . . Thus the ruling of equivalency, on undisputed facts, is sustained.

172 F.3d at 1371 (emphasis added). This established the presence of a substitute element in the accused device that performed the claim limitation role identified by the court.

The opposite is true here. The undisputed role of the "no duplicates" claim limitation is to prevent transmitter code duplication in the CPU's code table — which ITI concedes the accused systems *permit*. And because Ademco's input codes indisputably perform an "distinctly different function," they cannot be a substitute element as a matter of law. *Interactive Techs.*, 1999 WL 379139, at *4 (Pet. A-9).

ITI's attempt to drive a wedge between the equivalence analysis below and in *Festo* thus is unavailing. This should come as no surprise, because Judges Rich and Michel were on both panels.

IV.

PETITIONER'S NEW ARGUMENTS AS TO THE FUNCTION AND ROLE OF THE "NO DUPLICATES" CLAIM ELEMENT HAVE BEEN WAIVED AND VIOLATE *WARNER-JENKINSON*

Abandoning its earlier position as to the role of the "no duplicates" claim limitation, Petitioner changes its tale and tells this Court that the "central function" and "role" of the "no duplicates" limitation is "non-duplication *of a transmission to which the controller will respond when armed*" (Pet. 16, 17, 27; emphasis added). Petitioner's entire argument before this Court hinges on this identification of "function" and "role." There is no basis for it.

ITI never made this argument in the district court (1) at the *Markman* hearing, (2) at trial, or (3) when opposing

JMOL. Nor did ITI make this argument in the Federal Circuit (4) in its 46-page opposition brief, or (5) at oral argument.

The first time ITI made this argument was after it lost on appeal and sought reconsideration and rehearing *en banc* (Rehearing Pet. 9-10). By then, ITI had taken five bites at the apple. Under such circumstances, seeking review by way of certiorari is manifestly inappropriate. This Court has made clear that:

> This court sits as a court of review. It is only in *exceptional cases* coming here from the federal courts that questions not pressed or passed upon below are reviewed.

Duignan v. United States, 274 U.S. 195, 200 (1927) (denying certiorari) (emphasis added). "Where issues are neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them." *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970). This is so for "[c]onsiderations of judicial efficiency." *Jenkins v. Anderson*, 447 U.S. 231, 234 n.1 (1980) (refusing to consider a question not raised in either the District Court or the Court of Appeals). *See also Dothard v. Rawlinson*, 433 U.S. 321, 323 n.1 (1977) ("Not having been raised in the District Court, that issue is not before us.").

ITI presents no reason for this Court to deviate from its normal practice of declining to consider issues not properly raised below. Its newly found function and role for the no duplicates limitation should be deemed to be waived.

Beyond this, ITI's newly-minted assertion of function and role is nonsensical. It contradicts ITI's admissions below and even in the first half of its Petition to this Court as to function and role, and flouts the express language of the claim limitation (*supra*, § A). Claim 1, step (f) and claim 7, element (e) speak of avoiding duplication of *an identity code*, *not* of

"a transmission" (much less "a transmission to which the controller will respond when armed"). The same is true for the *Markman* order which, importantly, ITI does not challenge (*supra*, § A).

ITI's contention that the Federal Circuit violated the mandate of *Warner-Jenkinson* and its own precedent, is nothing if not ironic. In effect, ITI asks this Court to endorse an equivalence analysis in which the function and role for a claim element may be determined by ignoring the express claim language, ignoring an unchallenged *Markman* construction, and ignoring the patent holder's own admissions in the district court, in the appeals court and here. If that does not turn on its head *Warner-Jenkinson*'s admonition not to vitiate claim limitations, nothing does.

V.

THERE IS NO BASIS FOR A GVR ORDER IN VIEW OF *FESTO*

Based on its faulty premise that the equivalence analysis below was inferior to that in *Festo*, Petitioner requests this Court to issue a GVR order to enable the Federal Circuit to reconsider this case in view of *Festo*, for which rehearing *en banc* has been granted by the Federal Circuit. The request is without merit.

As this Court has stated, "our GVR power should be exercised sparingly." *Lawrence v. Chater*, 516 U.S. 163, 173 (1996). A GVR order is "potentially appropriate"

> [w]here intervening developments, or recent developments that we have reason to believe the court below did not fully consider, reveal a reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration, and where it appears that such a

> redetermination may determine the ultimate outcome of the litigation. . . .

Id. at 167. This standard not being met, the Court's GVR power should not be exercised here.

Even if the Federal Circuit were to re-affirm its decision in *Festo*, it would have no bearing on this case. As already explained, the outcome was the opposite in *Festo* not because of a conflicting equivalence analysis, but because of a very different undisputed record (*supra*, § III). *Festo* determined the role of the claim limitation at issue based on the express claim language. The panel below determined the role of the "no duplicates" limitation also based on the claim language, as well as on the unchallenged *Markman* construction of that language and ITI's admission as to the role of the limitation to prevent *transmitter* (*not* input) code duplication. Thus, a re-affirmance of *Festo* would amount to no more than an endorsement of the equivalence analysis performed in this case.

Nor would this case be affected if *Festo* is reversed. In that instance, the result in *Festo* would change from equivalence to *non*-equivalence. That plainly will not help ITI.

Finally, this is not a situation in which there is a "reasonable probability" that the Federal Circuit's decision below "rests upon a premise that [it] would reject if given the opportunity for further consideration." The Federal Circuit has already considered whether *Festo* might impact this case, and concluded that it would not. The Federal Circuit did so when it denied ITI's petition for panel reconsideration and *en banc* rehearing, even though that petition: (1) was based on an assertion that "[t]he panel decision is thus contrary to *Festo*" (ITI Rehearing Petition p. 12), (2) was pending at the same time as the petition for rehearing in *Festo*, and (3) two panel judges (Rich and Michel) in this case were on the *Festo* panel.

There thus is no reasonable probability that this case could be affected by *Festo*. The Federal Circuit did not grant ITI's rehearing petition. And there is no point in issuing a GVR order here either.

CONCLUSION

The Federal Circuit correctly performed the analysis mandated by this Court's decision in *Warner-Jenkinson*. That analysis is consistent with *Graver Tank*, *Corning*, and *Festo*. It is ITI's newly proposed claim element role and function that flies in the face of *Warner-Jenkinson* and the entire record of this case, and is in any event waived. A GVR order would be futile here because the factual records are such that an *en banc* disposition in *Festo* cannot affect the outcome of this case.

Accordingly, Ademco respectfully submits that the petition for certiorari should be denied.

Respectfully submitted,

LAURENCE S. ROGERS
Counsel of Record
LARS I. KULLESEID
KELSEY I. NIX
AVINASH S. LELE
FISH & NEAVE
Attorneys for Respondents
1251 Avenue of the Americas
New York, New York 10020
(212) 596-9000

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